

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-13-15  
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

11/17/06 → Penny Bishop  
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Mr. Paul Reinhart, Director  
Medical Services Administration  
Department of Community Health  
400 South Pine  
Lansing, MI 48933

NOV - 7 2006

RE: Michigan State Plan Amendment (SPA) 06-20

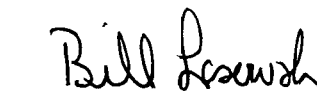
Dear Mr. Reinhart:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 06-20. Effective October 1, 2006, this amendment continues a cost reimbursement methodology for the Government Provider Disproportionate Share Hospital Pool.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 06-20 is approved effective October 1, 2006. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Rory Howe at (410) 786-4878.

Sincerely,

  
Dennis G. Smith  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

06 - 20

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

October 1, 2006

TO: REGIONAL ADMINISTRATOR  
HEALTH FINANCING ADMINISTRATION  
DEPARTMENT OF HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447 Subpart E

7. FEDERAL BUDGET IMPACT:

a. FFY 07 \$ 49,709,118

b. FFY 08 \$ 51,225,608

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, page 24c

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Attachment 4.19-A, page 24c

10. SUBJECT OF AMENDMENT:

Government Provider DSH Pool

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Paul Reinhart, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Paul Reinhart

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

October 26, 2006

16. RETURN TO:

Medical Services Administration  
Program/Eligibility Policy Division - Federal Liaison Unit  
Capitol Commons Center - 7<sup>th</sup> Floor  
400 South Pine  
Lansing, Michigan 48933

Attn: Nancy Bishop

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

11-7-06

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

OCT - 1 2006

20. SIGNATURE OF REGIONAL OFFICIAL:

Bill Reardon for D.S.

21. TYPE NAME:

William Lasowski

22. TITLE:

Deputy Director, CMSO

23. REMARKS:

RECEIVED

OCT 30 2006

DMCH - ARA

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Methods and Standards for Establishing Payment Rates  
Inpatient Hospital Care***

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Aggregate DSH expenditures will be made in accordance with Section 1923(g)(1)(A) of the Social Security Act. Prior to computing the amount of payment each individual hospital is eligible to receive from this pool, all other DSH and Medicaid payments that the hospital is scheduled to receive will be counted against the hospital's DSH limit.

3. Public Hospitals DSH Sunset Provision

Medicaid DSH payments to public hospitals are made up to the public hospital DSH ceiling as permitted by current federal regulations.

These payments are authorized to continue through September 30, 2005. The state may submit state plan amendments effective after September 30, 2005 that re-implement the current payment structure or different payment methodologies.

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TN NO.: 06-20

Approval Date: NOV - 7 2006 Effective Date: 10/01/2006

Supersedes  
TN No.: 05-16